

SECTION

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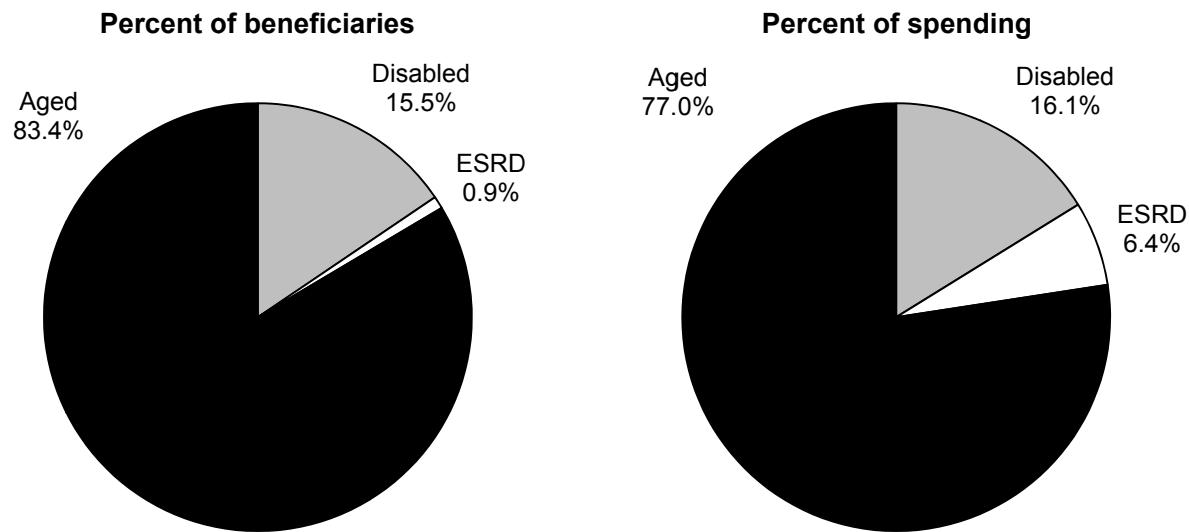
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**Medicare beneficiary  
demographics**

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## **Chart 2-1. Aged beneficiaries account for the greatest share of the Medicare population and program spending, 2009**

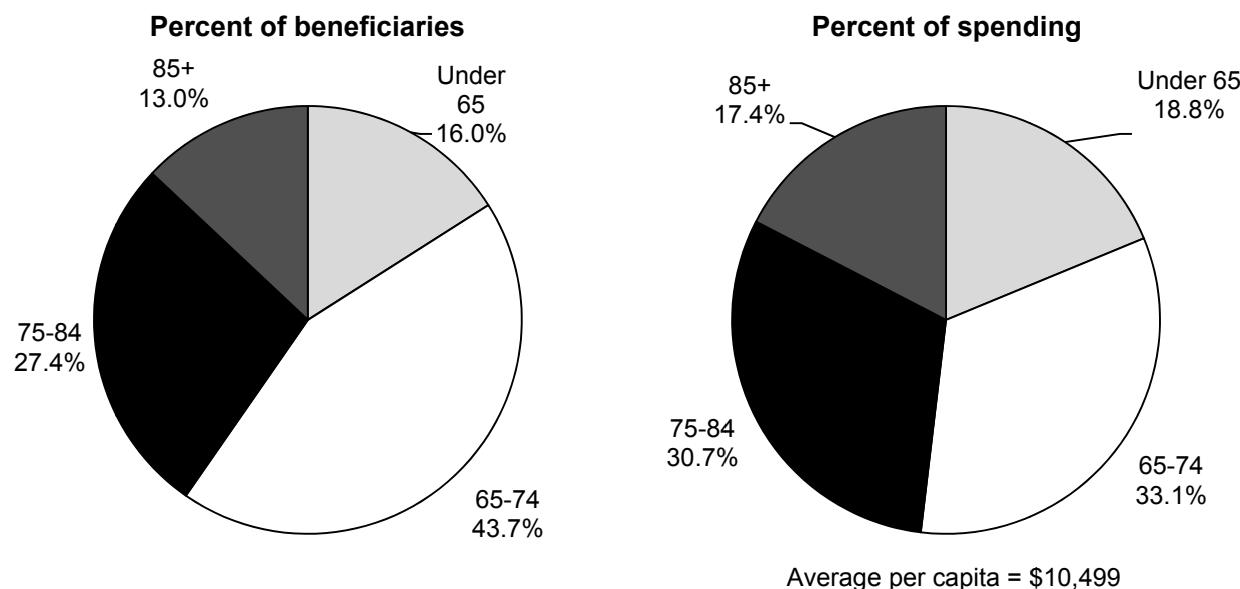


**Note:** ESRD (end-stage renal disease). The aged category refers to beneficiaries age 65 or older without ESRD. The disabled category refers to beneficiaries under age 65 without ESRD. The ESRD category refers to beneficiaries with ESRD, regardless of age. Results include fee-for-service, Medicare Advantage, community dwelling, and institutionalized beneficiaries. Totals may not sum to 100 percent due to missing data or to rounding.

**Source:** MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file, 2009.

- In 2009, Medicare beneficiaries age 65 or older without ESRD composed 83.4 percent of the beneficiary population and accounted for 77 percent of Medicare spending. Beneficiaries under 65 with a disability and beneficiaries with ESRD accounted for the remaining population and spending.
- In 2009, average Medicare spending per beneficiary was \$10,499.
- A disproportionate share of Medicare expenditures is devoted to Medicare beneficiaries with ESRD. On average, these beneficiaries incur spending that is more than six times greater than spending for aged beneficiaries (65 years or older without ESRD) and for beneficiaries under age 65 with disability (non-ESRD). In 2009, \$69,770 was spent per ESRD beneficiary versus \$9,690 per aged beneficiary and \$10,896 per beneficiary under age 65 enrolled due to disability.

## Chart 2-2. Medicare enrollment and spending by age group, 2009

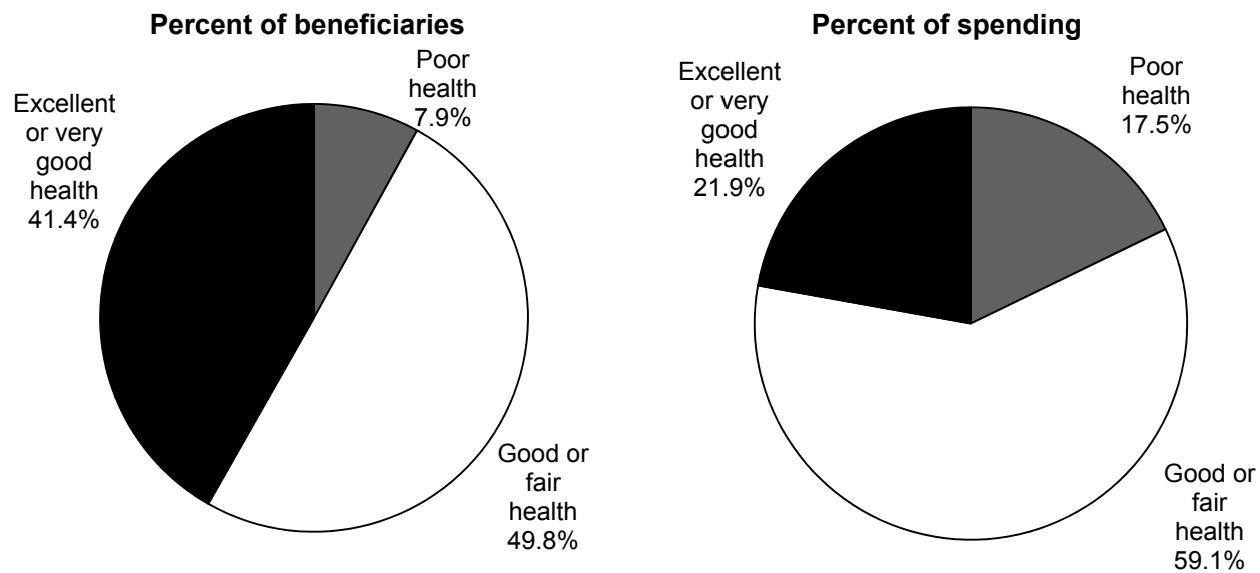


Note: Results include fee-for-service, Medicare Advantage, community dwelling, and institutionalized beneficiaries. Totals may not sum to 100 percent due to rounding.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file, 2009.

- For the aged population (65 or older), per capita expenditures increase with age. In 2009, per capita expenditures were \$7,949 for beneficiaries 65 to 74 years old, \$11,798 for those 75 to 84, and \$14,085 for those 85 or older.
- In 2009, per capita expenditures for Medicare beneficiaries under age 65 enrolled due to end-stage renal disease or disability were \$12,333.
- The oldest beneficiaries (age 85 or older) and youngest beneficiaries (under age 65) account for a disproportionate share of Medicare spending relative to their representation in the Medicare population.

### **Chart 2-3. Beneficiaries who report being in poor health account for a disproportionate share of Medicare spending, 2009**



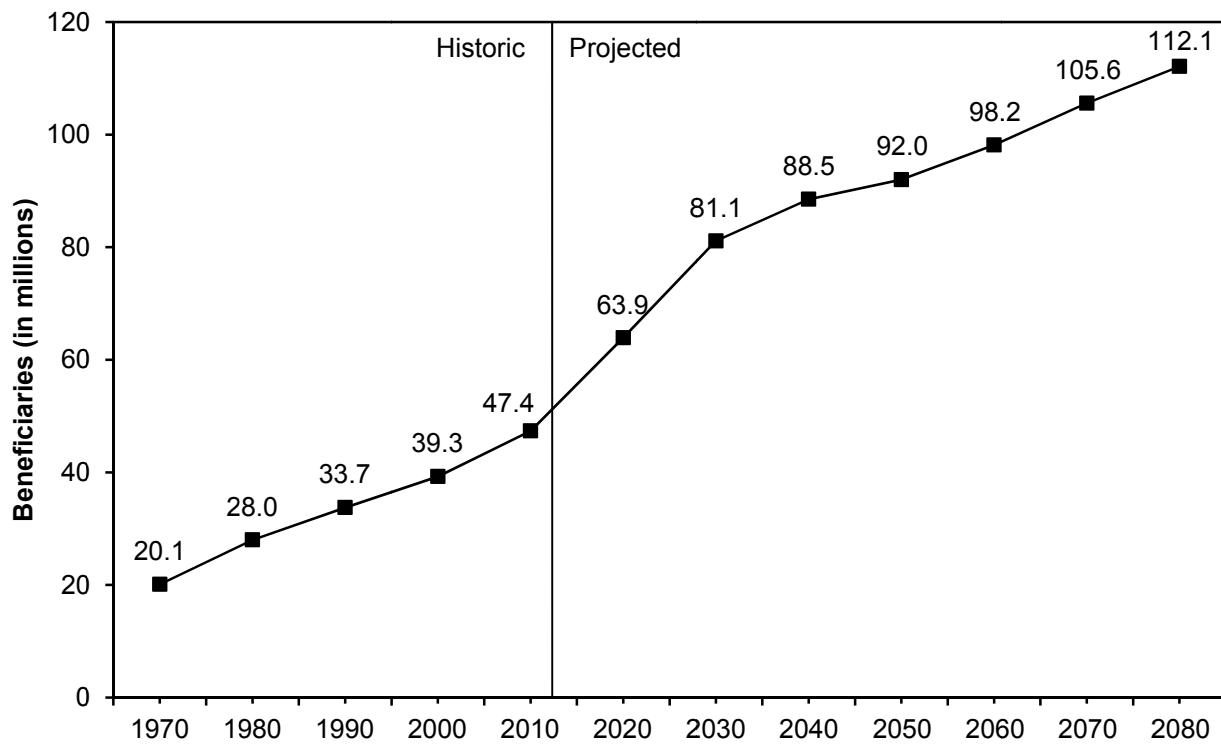
Average per capita = \$10,499

Note: Results include fee-for-service, Medicare Advantage, community dwelling, and institutionalized beneficiaries. Totals may not sum to 100 percent due to missing data or to rounding.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file, 2009.

- In 2009, most Medicare beneficiaries reported fair to excellent health. Fewer than 10 percent reported poor health.
- Medicare spending is strongly associated with self-reported health status. In 2009, per capita expenditures were \$5,544 for those who reported excellent or very good health, \$12,466 for those who reported good or fair health, and \$23,222 for those who reported poor health.

## Chart 2-4. Enrollment in the Medicare program is projected to grow rapidly in the next 20 years



Note: Enrollment numbers are based on Part A enrollment only. Beneficiaries enrolled only in Part B are not included.

Source: CMS Office of the Actuary, 2013.

- The total number of people enrolled in the Medicare program is expected to increase from about 50 million in 2012 to about 81 million in 2030.
- The rate of increase in Medicare enrollment will accelerate until 2030 as more members of the baby-boom generation become eligible, at which point it will increase more slowly after the entire baby-boom generation has become eligible.

## Chart 2-5. Characteristics of the Medicare population, 2009

Characteristic	Percent of the Medicare population	Characteristic	Percent of the Medicare population
<b>Total (47,176,547)</b>	100%	<b>Living arrangement</b>	
<b>Sex</b>		Institution	5%
Male	45	Alone	29
Female	55	Spouse	49
		Other	18
<b>Race/ethnicity</b>		<b>Education</b>	
White, non-Hispanic	77	No high school diploma	24
African American, non-Hispanic	10	High school diploma only	30
Hispanic	8	Some college or more	45
Other	5		
<b>Age</b>		<b>Income status</b>	
<65	16	Below poverty	16
65–74	44	100–125% of poverty	9
75–84	27	125–200% of poverty	19
85+	13	200–400% of poverty	31
		Over 400% of poverty	24
<b>Health status</b>		<b>Supplemental insurance status</b>	
Excellent or very good	42	Medicare only	9
Good or fair	50	Managed care	24
Poor	8	Employer	34
<b>Residence</b>		Medigap	15
Urban	76	Medigap/employer	3
Rural	24	Medicaid	14
		Other	1

Note: Urban indicates beneficiaries living in metropolitan statistical areas (MSAs). Rural indicates beneficiaries living outside MSAs. In 2009, poverty was defined as income of \$10,289 for people living alone and \$12,982 for married couples. Totals may not sum to 100 percent due to missing data or to rounding. Some beneficiaries may have more than one type of supplemental insurance.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file, 2009.

- Most Medicare beneficiaries are female and White.
- Close to one-quarter of beneficiaries live in rural areas.
- Twenty-nine percent of the Medicare population lives alone.
- One-quarter of beneficiaries have no high school diploma.
- Most Medicare beneficiaries have some source of supplemental insurance. Employer-sponsored plans are the most common source of supplemental coverage.

## **Web links. Medicare beneficiary demographics**

- CMS Data Compendium contains historic, current, and projected data on Medicare enrollment.

<http://www.cms.gov/DataCompendium/>

- The CMS website provides information on Medicare enrollment by state.

<http://www.cms.gov/MedicareEnRpts>

- The CMS website provides information about the Medicare Current Beneficiary Survey, a resource on the demographic characteristics of Medicare beneficiaries.

<http://www.cms.gov/mcbs>